

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

July 11, 2000

<b>IN RE:</b>	)	
	)	
<b>AT&amp;T COMMUNICATIONS OF THE</b>	)	<b>DOCKET NO. 99-00757</b>
<b>SOUTH CENTRAL STATES, INC. TARIFF</b>	)	
<b>TO IMPLEMENT AN INTRASTATE</b>	)	
<b>DIRECTORY ASSISTANCE CHARGE</b>	)	

---

**ORDER APPROVING TARIFF**

---

This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference held on January 11, 2000 on the tariff filing of AT&T Communications of the South Central States, Inc. ("AT&T"). On October 4, 1999, AT&T filed Tariff No. 99-00757 (the "Tariff") to implement an intrastate directory assistance charge beginning on November 7, 1999. AT&T proposed a \$1.40 charge for each intrastate directory assistance request.<sup>1</sup>

**Background**

AT&T's Tariff proposed that a \$1.40 charge apply to all directory assistance requests and also that customers be limited to one (1) request for information per call.<sup>2</sup> Additionally, AT&T proposed an exemption of up to fifty (50) requests per month to those residential customers unable to use a telephone directory due to a visual, physical or learning disability.<sup>3</sup>

---

<sup>1</sup> At the time of the filing of this tariff, AT&T charged \$1.40 for interstate directory assistance.

<sup>2</sup> The Tariff proposed the \$1.40 charge regardless of whether the customer obtains the requested information or whether the information is unlisted, non-published or otherwise unavailable.

<sup>3</sup> To qualify for this exemption, residential customers must complete a one page form containing the customer's signature and the signature of a physician or an optometrist.

This Tariff was noticed to be considered at the November 2, 1999 Authority Conference. On October 29, 1999, the Consumer Advocate Division of the Office of the Attorney General (the "Consumer Advocate") filed a Complaint and Petition for Information in this docket. The Consumer Advocate asserted that AT&T's tariff filing should be dismissed because AT&T had failed to provide adequate notice to consumers of the proposed charge for directory assistance pursuant to Authority Rule 1220-4-2-.55(2)(e).<sup>4</sup> On November 1, 1999, AT&T filed a Reply to the Consumer Advocate's Complaint and Petition asserting that its notice complied with the requirements of Rule 1220-4-2-.55(2)(e) and that the Consumer Advocate's Petition for Information stated no basis or grounds for obtaining the information requested. Subsequently on November 1, 1999, AT&T filed a letter acknowledging that its notice to customers of the impending directory assistance charge was published only in *The Tennessean* newspaper. AT&T stated that the tariff pages would be amended to show an effective date of December 6, 1999 for the proposed directory assistance charge and that publication of the notice would be made in newspapers with statewide coverage to comply with the requirements of Rule 1220-4-2-.55(2)(e).

At the November 2, 1999 Authority Conference, the Directors heard oral argument from the Consumer Advocate and AT&T regarding this matter. The Consumer Advocate asserted that the information requested in its Petition for Information pursuant to Tenn. Code Ann. § 65-4-118(c)(2)(B) was required to determine whether the proposed \$1.40 directory assistance charge was just and reasonable. AT&T argued that the Consumer Advocate had not set forth a legitimate purpose for requesting the information it sought and asked the Directors to approve

---

<sup>4</sup> Rule 1220-4-2-.55(2), which is also referred to as the "Interexchange Carrier Rule or IXC Rule," states in pertinent part that, "Affected customers shall be notified by direct mail or by publication of a notice in a newspaper of general circulation in the affected service area thirty (30) days prior to the effective date of any rate increases."

the Tariff subject to AT&T filing proof that the requisite notice had been properly published. After hearing the argument of the parties, the majority of the Directors voted to suspend the Tariff due to AT&T's acknowledged insufficient notice and also directed the Consumer Advocate to file a pleading setting forth clarification of the information it sought and its rationale for seeking that information.<sup>5</sup>

On November 8, 1999, the Consumer Advocate filed Comments on its Petition for Information reiterating that the requested information was needed to determine whether AT&T's proposed directory assistance charge was just and reasonable. On November 16, 1999, AT&T filed a Memorandum Brief asserting that the Consumer Advocate had not demonstrated compliance with Tenn. Code Ann. § 65-4-118 nor had it articulated a legitimate purpose for seeking the information.<sup>6</sup> AT&T also asserted that the information the Consumer Advocate sought was not relevant to the application of Authority Rule 1220-4-2-.55(2). In a letter filed on November 16, 1999, AT&T requested this matter be placed on the Authority's agenda for November 23, 1999. The Consumer Advocate filed a letter with the Authority on November 18, 1999 objecting to AT&T's request and asserting that the Consumer Advocate was entitled to respond to the issues AT&T presented in its Brief. On November 24, 1999, the Authority directed the Consumer Advocate to file a response to AT&T's Brief by November 30, 1999.

---

<sup>5</sup> Director Greer did not vote to suspend the Tariff or require the additional filing by the Consumer Advocate.

<sup>6</sup> In pertinent part, Tenn. Code Ann. § 65-4-118(c)(2)(A) and (B) provide:

(c)(2)(A) The consumer advocate division has the duty and authority to represent the interests of Tennessee consumers of public utilities services. The division may, with the approval of the attorney general and reporter, participate or intervene as a party in any matter or proceeding before the authority or any other administrative, legislative or judicial body and initiate such proceeding, in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, and the rules of the authority.

(c)(2)(B) If the consumer advocate division concludes that it is without sufficient information to initiate a proceeding, it may petition the authority, after notice to the affected utility, to obtain information from the utility. The petition shall state with particularity the information sought and the type of proceeding that may be initiated if the information is obtained. Additionally, the consumer advocate division may request information from the authority staff, and, if authority staff is in possession of the requested information, such information shall be provided within ten (10) days of the request.

On November 30, 1999, the Consumer Advocate filed its Reply to AT&T's Brief and its First Amendment to its Complaint Regarding AT&T's Public Notice of Proposed Rate Increase. In its Reply, the Consumer Advocate maintained that the requested information was necessary to determine the justness and reasonableness of AT&T's proposed charge. The Consumer Advocate asserted that the IXC Rule does not exempt AT&T from providing information to determine the reasonableness of a proposed rate. Additionally, the Consumer Advocate asserted that the requirements of Tenn. Code Ann. § 65-4-118 had been satisfied. In its First Amendment, the Consumer Advocate asserted that AT&T's republished notice of the proposed charge was insufficient because it did not state the reasons for the proposed increase, pursuant to Rule 1220-4-1-.05 and did not properly identify the persons to whom it was addressed. AT&T replied to the First Amendment on December 10, 1999, requesting that the Consumer Advocate's Complaint be dismissed because the republished Notice complied with Rule 1220-4-2-.55(2)(e)2 and further that the Notice properly notified AT&T's customers of the proposed increase.

On December 14, 1999, the Consumer Advocate filed its First Supplement to its reply to the Memorandum Brief of AT&T advising the Authority of the decision of the Federal Communications Commission ("FCC") to deny an automatic grant of AT&T's request to discontinue its toll free directory assistance service. The Consumer Advocate asserted that before making a decision concerning whether the Petition for Information should be granted the Authority should consider comments received by the FCC objecting to the discontinuance of the toll free service. On December 27, 1999, AT&T filed its Rejoinder to the Consumer Advocate's First Supplement asserting that the FCC proceedings were not relevant or material to this docket and that the IXC rules govern this case. Additionally, on January 4, 2000, AT&T responded to the Consumer Advocate's Reply concerning the Petition for Information asserting that the Consumer Advocate misstated the law and ignored the facts and that the information requested

was not relevant to these proceedings. After consideration of the record in this matter, the Directors voted unanimously to deny the Consumer Advocate's Petition for Information, finding that the requested information was not relevant in determining the reasonableness of AT&T's proposed directory assistance charge.

In considering AT&T's tariff and approving the tariff by a two to one vote, the Directors, determined that intrastate directory assistance is a competitive service and that consumers have choices when deciding which company to utilize for directory assistance. AT&T filed the affidavit of Carroll Wallace, Regulatory Manager for AT&T, which demonstrates that numerous other telecommunications companies offer directory assistance with charges less than, and in some cases, the same as the charge proposed by AT&T. Additionally, AT&T asserted that consumers also had access to various Internet sources that provide directory assistance services.

Further, the majority concluded that directory assistance charges are not classified as DDD services under the IXC Rule for the following reasons.<sup>7</sup> First, directory assistance charges are not billed under DDD rate schedules, which apply toll charges based on the distance and duration of telephone calls. Instead, directory assistance charges accumulate on a per request basis, regardless of the distance and duration of the call and whether such calls are local or toll. Secondly, the Authority concluded that directory assistance requests do not constitute 0+ or 0- operated assisted telephone calls. Directory assistance services and the associated charges are used to obtain information (telephone numbers) only and do not include any portion of operator

---

<sup>7</sup> Under Rule 1220-4-2-.55(2), IXC services are classified as into two (2) categories: (1) direct distance dialing ("DDD") services or (2) All Other Services. DDD services includes DDD rate schedules, rates for operator assisted calls (0+ and 0-) and residential optional calling plans. Rates in this category are capped and may not increase unless an IXC's access charges increase. Services not falling into the DDD category are classified as "All Other Services." Rates for these services are not subject to a rate cap and must be increased upon thirty (30) days notice to affected customers.

assistance that can be provided for completing a call.<sup>8</sup> Additionally, the Authority concluded that directory assistance services are not considered residential optional calling plans.<sup>9</sup> Therefore, a majority of the Directors determined that directory assistance charges are classified in the “All Other Services” category for which rate increases are allowed upon thirty (30) days notice to affected customers. Based upon the record in this docket, the majority determined that directory assistance is a competitive service classified under the “All Other Services” category under the IXC Rule and that AT&T’s re-published notice complied with the applicable rule. The Directors voted two to one to approve the tariff.

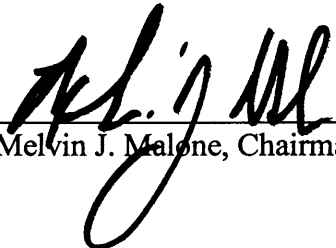
---


<sup>8</sup> After providing a telephone number via directory assistance, an operator may inform the caller that, for an additional charge, the operator will complete a call to the requested number. (The customer is generally required to press a specified telephone key to have the call connected.) The operator charge for completing a call is billed separately from the directory assistance charge.

<sup>9</sup> Residential option calling plans are service options tailored to meet the specific needs of a segment of customers and generally provide discounted toll rates in exchange for a customer’s volume commitment and/or a monthly recurring charge. These service options may also provide discounts based on time-of-day calling and the types of calls made by customers.

**IT IS THEREFORE ORDERED THAT:**

1. The Complaint and Petition for Information filed by the Consumer Advocate Division of the Office of the Attorney General is denied; and
2. Tariff No. 99-00757 filed by AT&T Communications of the South Central States, Inc. is approved.

  
\_\_\_\_\_  
Melvin J. Malone, Chairman

  
\_\_\_\_\_  
H. Lynn Greer, Jr., Director

\_\_\_\_\_  
\* \* \*  
Sara Kyle, Director

ATTEST:

  
\_\_\_\_\_  
K. David Waddell, Executive Secretary

\* \* \* Director Kyle voted not to approve the Tariff stating that the proposed increase was not in the public's interest and adopting her remarks from TRA Docket No. 99-00553 in support of her vote.